



# Strategic report, directors' report and financial statements

for the year ended 31 March 2024



# Company information

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Brian Tytherleigh  
Tony Corkett  
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# Medway Community Healthcare at a glance



**1,514**  
staff



**794,154**  
patient  
contacts



**26**  
locations



**£77.4**  
Income



**40+**  
services



**7/10**  
overall staff  
engagement



**94%**  
patient  
satisfaction



# Strategic report 2023/24

## Introduction

Medway Community Healthcare (MCH) is a social enterprise Community Interest Company (CIC), providing high quality community health services to the people of Medway and surrounding areas. Our responsibility for local people is key to the way that we operate our business, and, as a social enterprise, we are able to ensure that this means we maximise our opportunities to invest any surpluses into developing the services we provide and in supporting the health and wellbeing of our local community. Since our establishment in 2011, we have developed our local reputation as a provider of high-quality community services and have negotiated contracts and partnerships to deliver more than 40 services to local people.

MCH has a strong history of partnership working with local GPs, Medway NHS Foundation Trust, Medway Council, and other local stakeholders. We are a £77 million business employing around 1,500 substantive staff and 200 staff on bank/zero-hour contracts at the end of March 2024. We provide a wide range of both planned and unscheduled care in local settings such as schools, healthy living centres, inpatient units, and people's homes. We are committed to remaining a key partner in the delivery of health and care services in Medway and Swale and continuing to take a leading role in the development of the Medway and Swale Health and Care Partnership (H&CP) and the wider Kent and Medway Integrated Care System (ICS).

Our vision is to remain a successful, vibrant, community focused organisation providing health and care services to people in Medway and Swale. We continue to provide services that improve the health and wellbeing of people living and working in Medway and North and West Kent, while delivering additional social benefits to the communities we serve.

Our commitment continues to be to 'lead the way in excellent healthcare' and we are proud of our employees, many of whom have chosen to be shareholders in MCH, directly influencing the business decisions we make. Our staff play the key role in delivering our commitment to the communities we serve, and their reputation for going 'above and beyond' what is required of them is well deserved.

During 2023/24, MCH provided and/or sub-contracted services within the following Pillars (business units):

- Urgent and Intermediate Care
- Local Care
- Children's and Planned services



## Strategic management

Our Strategic Plan 2020-2025 sets out our key objectives:

- Providing high quality, integrated community services in Medway and Swale and the wider Kent and Medway Integrated Care System;
- Being a leading partner in the provision of health and care services in Kent and Medway;
- Investing in our employees;
- Adding social value to the communities we serve; and
- Investing in efficient, effective infrastructure to support the delivery of high-quality community health and care services.

The diagram below provides an overview of what we expect to deliver against each of these objectives:



In line with our Strategic Plan, we continue to deliver and develop safe and effective health and care services, to diversify our income streams, and to expand our business to maximise use of our skills base. All our profits serve to give greater financial stability to the core healthcare services we deliver to local communities; and to ensuring these services continue to meet the needs of the local people.

We have a contract to deliver NHS services and the Board does not anticipate any change to the principal activities of the company.

## Tenders:

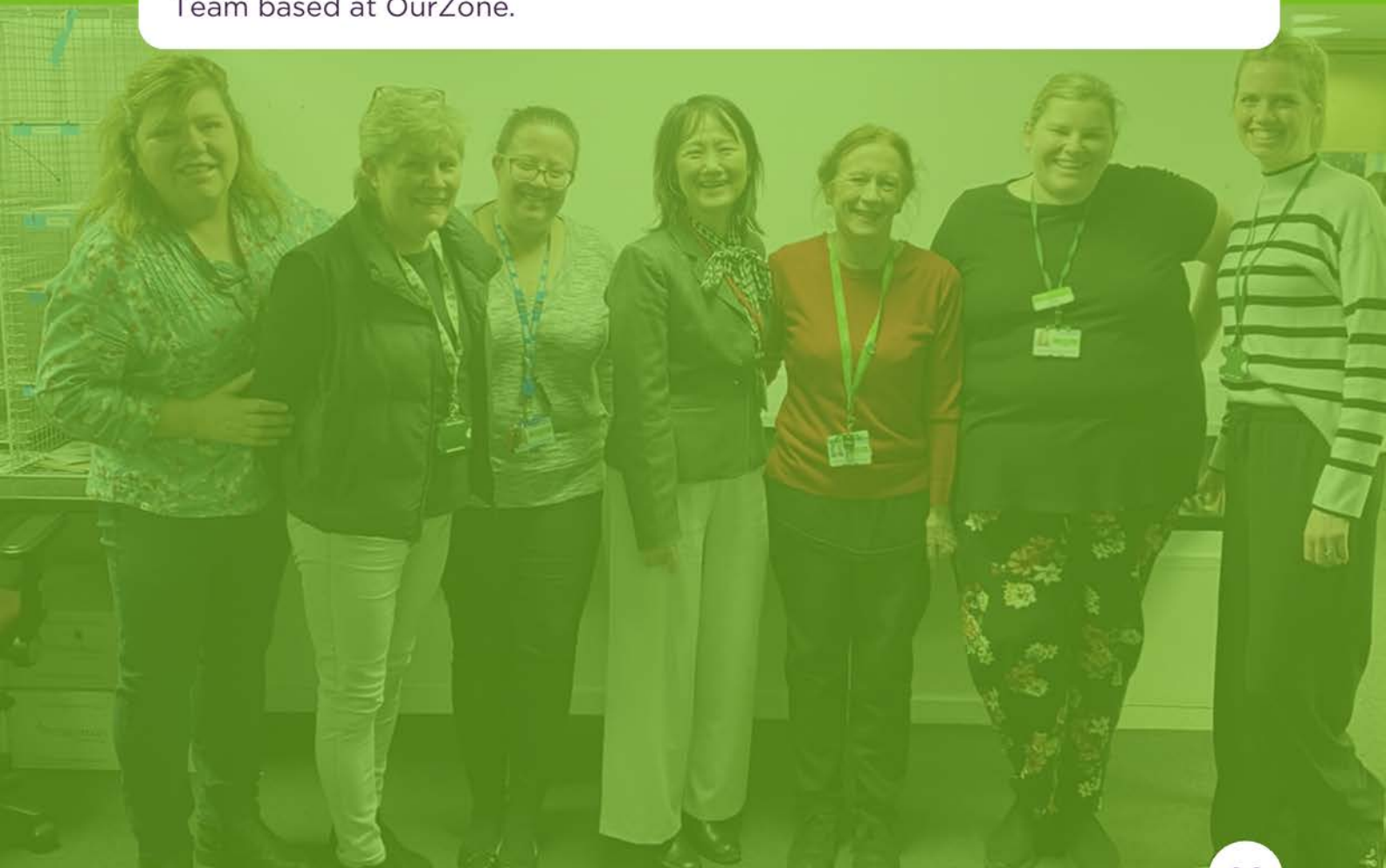
Over the last year we have been successful in tenders for:

- Integrated Children's Health Services (Children's Public Health Nursing) - This tender covered health visiting and school nursing and runs for 5 years commencing from 1st January 2024.
- Integrated Community Rehabilitation Services (ICRS) - This tender was for the provision of rehabilitation services in the community to support the discharge of patients from Medway Hospital and runs for 8 years from October 2023.

## Relocation of Services from Amherst Court:

Following the decision of commissioners to change the model of care through the ICRS procurement, MCH's Britannia Unit at Amherst Court closed at the end of September 2023. We would like to take this opportunity to thank all of those who worked in the Unit for their hard work, and to wish them well in their future endeavours.

With the closure of the Britannia Unit, we took the decision to re-locate the Endeavour Stroke Unit to Harmony House, co-locating the Unit with the Community Stroke Team based at OurZone.





## Medway and Swale Health and Care Partnership (H&CP):

MCH continues to play an active role in the development of the Medway and Swale Health and Care Partnership (H&CP). We host the H&CP Team and our Managing Director holds the role of Senior Responsible Officer (SRO) for the Partnership. Executive colleagues chair and/or participate in the H&CP Partnership Board and associated forums such as Quality and Safety, Palliative and End of Life, as well as the Population Health Management Group. We regularly attend the Urgent and Emergency Care Board as well as discharge improvement and development groups.

### The HCP's vision is:

To put local people at the heart of the services we design and deliver, helping local people to realise their potential; to be as content as possible, to live healthier, happier lives; and to stay well and independent in their families, homes, and communities for as long as possible. This is closely aligned to MCH's aspirations so we continue to work closely with system partners to achieve the local delivery plan.



In 2023-2024 the H&CP Delivery Plan focused on:

- Continued development of robust and effective primary, community and local care services in Medway and Swale;
- Continued development of the H&CP's approach to Population Health Management;
- Improved Urgent and Emergency Care and Discharge Pathways across the Medway and Swale health and care system;
- Ongoing recovery of health and care services from the impact of the COVID-19 pandemic;
- Development of the Medway and Swale H&CP in line with national and local requirements;
- Quality, safety and performance;
- Development and agreement of a system financial recovery plan (FRP); and
- Ensuring the H&CP embraces the use of digital technology to improve services, and to support integration.

Our staff have been working with system partners in each of these priority areas to ensure that our services continue to meet the needs of local people, the requirements of our commissioners and are aligned effectively to those of other local providers. Examples of this work can be found later in this report.



# Business performance

## Our finances

Medway Community Healthcare C.I.C., under its Articles of Association, does not distribute surpluses or pay dividends; we reinvest surpluses back into the improvement of services and the local community and in previous Annual Reports we have detailed the many ways in which we have done this.

During the 2023/24 financial year, as a provider of community health services we continued our focus on activities to:

- prevent admissions to hospital;
- support rapid discharge from hospital for those who were medically fit.
- provide treatment, care, rehabilitation and intermediate care services through our inpatient units; and
- continue to provide treatment and rehabilitation in people's own homes.

2023/24 was, once again a challenging year financially with uncertainty remaining around the funding of the 2022/23 non-consolidated pay award for much of the year; a continued increase in demand for services that was not always matched with additional funding; difficulties in the recruitment and retention for some staff groups; and increased cost pressures from clinical suppliers. Despite this, MCH successfully delivered an increased saving target, including the reduction of agency and locum spend and achieved its estate rationalisation goals.

At the end of March 2024, we received confirmation that NHSE would fund the non-consolidated pay award for the 2022/23 financial year (£2.5m). Although not paid until May 2024, we were able to recognise this income in our 2023/24 financial position. This was partially offset by provisions made for the exit of one of our buildings and resulted in MCH reporting an EBITDA of £1.4m and a profit before tax of £902k.

## Our management of risk

We have a robust system of risk management within MCH. Our Board gives high priority to this responsibility through continual monitoring of significant risks, both clinical and financial, and considers that exposure to key financial risks such as credit, liquidity and cash flow is low.

Established risk governance processes ensure that key areas of risk are regularly monitored by the appropriate Board subcommittees.

We believe that the principal risks to the business are:

- The impact on MCH of system-wide pressures within the Kent and Medway health system.
- MCH being unable to deliver its strategic and operating plans due to challenges in retaining and recruiting sufficiently skilled and experienced staff.
- Contract financial values failing to keep pace with the rising costs of delivering healthcare services and will therefore significantly impacting on the delivery of those services.
- Increasing demand for health and care services, and the requirements of commissioners impacting on MCH's ability to deliver our Strategic Plan.
- Cyber-attacks or other catastrophic IT failures impacting on MCH's ability to deliver safe and effective services for local people.



## Clinical Quality

### Preventing Harm:

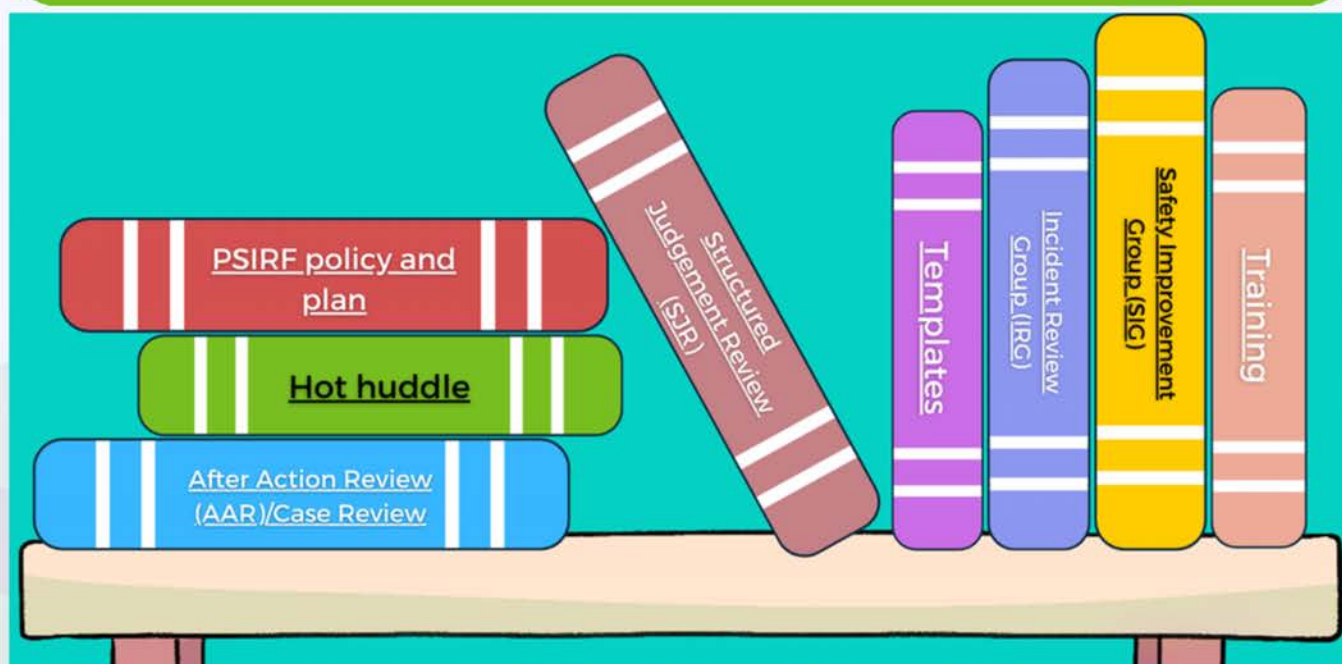
#### Patient Safety Incident Response Framework (PSIRF)

To improve our approach to responding to patient safety incidents, MCH has spent the last year preparing to transition from the existing Serious Incident Framework to NHS England's new Patient Safety Incident Response Framework (PSIRF). PSIRF sets out new guidance on how NHS organisations respond to patient safety incidents and ensures compassionate engagement with those affected. It supports the key principles of a patient safety culture, focusing on understanding how incidents happen, rather than apportioning blame; allowing for more effective learning, and ultimately, safer care for patients. The transition work has not just been about patient safety but also about the development of a Just and Learn culture (as developed by Mersey Care) and psychological safety for staff with compassionate HR and patient safety systems and processes.

MCH has developed a Patient Safety Incident Response Plan (PSIRP) and accompanying policy which has been approved by Kent and Medway ICB. These documents include our individual patient safety incident profile that identifies the areas that will benefit most from learning responses and maximise the opportunities for improvement. MCH's top three priorities for improvement going into PSIRF are:

- Pressure areas
- Medication
- Falls

We have also developed standard operating procedures for the learning responses, and standardised documentation.





### **Incident Review Group**

The Incident Review Group (IRG) replaced MCH's Mortality Review Group, it meets monthly, and its purpose is:

- To review learning responses undertaken by MCH services for incidents of concern, for example: patient safety incidents, information governance incidents, near misses or where things have gone well.
- To provide oversight of responses and associated reports, to constructively challenge, and to cascade any learning points, emerging themes and identified actions.
- To provide assurance to the Integrated Quality and Performance Assurance Committee (IQPAC), and therefore the Board of the robustness of learning, responses and subsequent quality improvement.

IRG's duties are to:

- Provide effective oversight of learning responses.
- Ensure IQPAC is sighted on outcomes of learning responses and requirements indicated in PSIRF and PSIRF Policy are being met.
- Provide assurance that lessons identified from incidents involving service users are being used to improve the quality of MCH's services.
- Provide subject expert support to presenting services.
- Cascade identified learning to respective services and throughout MCH.

### **Multi-Agency Review Group (MARG)**

This is a new group set up in the past year to facilitate conversations and discussions and agree on learning identified and associated actions for incidents that involve patient care across different organisations. Currently, there are 14 Kent and Medway organisations signed up to participate in a standardised process of collaborative review and community of practice, including primary and secondary healthcare, local authority, Integrated Care Board, emergency services, and patient transport. MARG highlights and shares learning to improve the experiences of patients and their families and carers. MARG meets bi-monthly, and the function of chair rotates to the different organisations.



## **Safeguarding Adults and Children:**

MCH remains committed to the safeguarding of adults and children. We employ a number of specialist health professionals to ensure and assure that we carry out our duties and responsibilities correctly.

MCH is represented at both the Medway Safeguarding Children Partnership and Kent and Medway Safeguarding Adults Board by members of the Safeguarding Team, working in partnership with our fellow agencies to develop training, audit and policies to support safeguarding practices across Kent. We also fully engage in safeguarding reviews and use a range of activities to embed lessons learned within MCH services, including the MCH GAIN (Governance Assurance Information Network) meetings, a monthly Safeguarding Newsletter, and regular communications via internal streams.

MCH staff receive training and supervision, dependent on their role, in relation to:

- Adult and child protection
- Self-neglect in adults
- Domestic abuse
- Prevent
- Exploitation

Internal training is reviewed regularly in response to internal, local and national learning from reviews; feedback from attendees; and policy and legislation changes. Over the last year, we have introduced two new workshops: Roles and Responsibilities in Safeguarding, and Mental Capacity and Young People. In addition, we are developing both a Self-Neglect Workshop launched in April 2024, and a Restraint and Restriction Workshop. These have been added to our growing portfolio of learning opportunities available to staff.

MCH staff continue to contact the Safeguarding Team regularly to seek support, advice and supervision and to make referrals to relevant local authorities where safeguarding concerns exist. Activity levels have remained high as the impacts of the COVID-19 pandemic continue to be experienced by children, young people and adults at risk of harm.

MCH remains committed to engaging in practical and collaborative approaches to safeguarding adults and children, working together across Kent and Medway on a variety of projects including the Medway Safeguarding Children Partnership Neglect Strategy; contribution to the Multi Agency Safeguarding Hub Strategic Board for Medway; provision of a health safeguarding adviser for safeguarding strategy meetings for children and young people (where the child is not currently known to health agencies); and (following the withdrawal of the national Safeguarding adults protocol), pressure ulcers and raising a safeguarding concern, MCH leads on the development of local guidelines alongside partners in health and social care.



## **Infection Prevention and Control (IPC):**

The primary focus of the IPC team this year has been with the intention of gaining valuable insights and knowledge. The team has been aware of several measles, Norovirus and iGAS (invasive Group A streptococcal disease) cases throughout the year, from which valuable learning has been extracted. The team is delighted to confirm that we continue to have no attributable infections for the period 2023-2024.

We have maintained active engagement with our partner organisations, commissioners, and NHS England to ensure the sustained reduction of infections, particularly with regard to COVID -19. Methicillin Resistant Staphylococcus Aureus (MRSA) bacteraemia, Clostridium Difficile Infections (CDI), and gram-negative bloodstream infections, which include Pseudomonas, MSSA, Klebsiella, and E.coli (Quality Premium).

Building on the work of the previous year, the team has continued to measure organisational compliance with the Health and Social Care Act 2008 using the NHS England Board Assurance Framework (BAF), which is taken to the MCH Board each quarter. There are a few remaining actions regarding outstanding risk assessments, ventilation and fit testing.

## **Customer Experience and Feedback**

### **Friends and Family Test:**

Since 2015 when NHS England introduced new guidance on how service users feed back to health providers, MCH has fully incorporated the Friends and Family Test (FFT) alongside other initiatives to gather service user feedback. The FFT is one question; 'Overall, how was your experience of our service?' which allows for service users to rank their experience from very good to very poor. The FFT results are reported nationally on a monthly basis. This provides service users with the ability to review all health providers against this standard benchmark as well as informing us as a provider, of areas in which improvements can be made.

Between April 2023 and March 2024, MCH received 10,928 FFT surveys which was an increase on the previous year. 94% of service users felt that they received a very good experience of MCH services which is an increase of 5% on the previous year.

### **Complaints:**

We want everyone to have the best possible experience in our care, and patient feedback is crucial. MCH actively encourages people to share comments, compliments, concerns and complaints in a variety of ways. This includes email, phone, social media, MCH website, paper surveys and directly to our staff.

During 2023-2024 we made approximately 794,000 individual contacts with patients. During the same period, we received 279 written complaints, 18 verbal complaints (including grumbles and advice), and 34 joint formal complaints (a complaint involving more than one provider of NHS services). We have had no requests for information by the Parliamentary Health Service Ombudsman. The written complaints received by MCH in 2023-2024 was an increase of 35 compared to the number of written complaints received in 2022-2023.



**Participation in Clinical Audit:**

MCH is required to provide assurance via audit that we comply with requirements of the Health and Social Care Act 2008, the Care Quality Commission and our contract with Kent and Medway Integrated Care Board. During 2023/2024 MCH carried out 37 mandatory clinical audits and increase of 3 from the previous year. MCH also participated in 1 national clinical audit for the NHS services that we provide.

Local clinical audit is important in measuring and benchmarking clinical practice against agreed markers of good professional practice, stimulating changes to improve practice and re- measuring to determine any service improvements. In 2023/2024, 26 local clinical audits were undertaken, and the reports were reviewed by MCH, the details of these can be found in our Quality Account 2023-2024.

**Regulatory Requirements and Inspections:**






MCH is required to be registered with the CQC under section 10 of the Health and Social Care Act 2008. At the end of 2022, we were registered with no conditions attached to the registration.

As a social enterprise, MCH is classified and inspected as an independent provider of NHS services by the CQC. This means that unlike NHS trusts, our services are inspected by registered locations rather than as a whole organisation. This year we have been waiting for the CQC to implement their new, simpler single assessment framework that is made up of 5 key questions and under each key question, a set of quality statements. We will soon be going 'digital' by using their portal system for all notifications.

Following our first 'Well-Led' inspection between May and June 2022, we are proud to have been rated as 'Good'. It is important that we maintain this standard, so during 2023-24 we have continued to embed the recommendations made by the CQC; and the progress made with our Quality Improvement Plan (QIP) has been regularly reported to the Board and Executive Team.

Overview

Latest inspection: 17 May- 8 June 2022      Report published: 7 October 2022

Safe	Requires improvement	
Effective	Good	
Caring	Good	
Responsive	Good	
Well-led	Good	

The Urgent Treatment Care service provided by MedOCC and based at Medway Maritime Hospital, was inspected separately in February 2022 as part of a review of the urgent care pathways in Kent and Medway. This was rated as 'requires improvement' with reference to the environment, mandatory training compliance and rapid reviews of patients. MCH continues to work closely with colleagues at the hospital and we are pleased to show significant improvements in the areas highlighted by the report.

MCH has continued throughout 2023-2024 to meet regularly with CQC colleagues in our Provider and CQC monthly monitoring meetings. The purpose of these engagement meetings is to enable the CQC to monitor Provider performance and support organisations in their quality improvement efforts. We have used these opportunities to showcase our services at these meetings; to highlight good practice; and to provide assurance that we are aware of and managing any associated risks. Services that have presented this year include Dental and Musculoskeletal (MSK) / Clinical Assessment Service (CAS) services, each stimulating positive discussions with our CQC colleagues.

### Key performance indicators

MCH has a suite of Key Performance Indicators (KPIs) contained within the contract with Kent and Medway Integrated Care Board (ICB). The KPIs cover a range of assurance deliverables relating to patient experience, infection control, patient safety, clinical effectiveness, and workforce. Achievement of key metrics for MCH at 31st March 2024 are as follows:

KPI	Target	Achievement at 31 March 2024
Statutory and mandatory training	85%	87.4%
Hand hygiene audit compliance	95%	95%
MRSA screening of all elective patients	100%	100%
Mixed sex breaches	0	1
Duty of Candour training compliance: Level 1 Level 2	100% 100%	82% 78%
Falls – assessment	85%	64%
Friends and family test	95%	94%



## Commissioning for Quality and Innovation (CQUINs)

The Commissioning for Quality and Innovation (CQUIN) framework supports improvements in the quality of services and the creation of new, improved patterns of care. The following table shows MCH CQUIN data for 2023/24, demonstrating the work undertaken to achieve these national improvement programmes.

CQUIN	Target	Q1	Q2	Q3	Q4
CCG12 - Assessment and Documentation of Pressure Ulcer Risk (Community Hospital Inpatients)					
% performance achieved	70-80%	89.71%	98.18%	100%	86.11%
CCG13 – Assessment, Diagnosis and Treatment of Lower Leg Wounds					
% performance achieved	25-50%	-	-	-	1.82%
CCG14 – Malnutrition Screening for Community Hospital Patients					
% performance achieved	70-90%	95.59%	98.18%	100%	86.11%

It was agreed with Kent and Medway ICB that data reporting for CQUIN CCG13 (Lower Leg Wounds) was not applicable during the first 3 quarters of 2023-24. This was to enable clinicians to focus on embedding a quality improvement plan in readiness for future reporting. Data from 2022 and quarters 1,2, and 3 of 2023 were used as the benchmark to measure improvement. The improvement plan was completed by January 2024, and data was reported for quarter 4.

The work conducted so far on these CQUINs has supported MCH to:

- Review and improve the patient lower leg care pathways between organisations;
- Support our in-patient environments with pressure area monitoring;
- Improve community services' use of the Malnutrition Universal Screening Tool (MUST).

Each action has provided some of most vulnerable community-based service users and their families/carers with correct clinical and evidence-based support.



## Award-winning care

Medway Parents' and Carers' Forum (Medway PCF) awards

Natalie Smith, Lead School Nurse, won an award from Medway Parents' and Carers' Forum (Medway PCF). She was nominated by a parent, who said:

"Natalie has been so supportive, and one of the only professionals who listens to our concerns and helps any way she can. Natalie has been a rock through some hard times as a family, forever having the focus of my daughter and her needs, she makes my daughter feel safe and my daughter has come to see her as a friend."



The Nursery Team also won an award from the Medway PCF, also nominated via a parent who said:

"The workers there (Snapdragons Nursery) have done amazing work with my daughter, and are so lovely, and supportive".





## NIHR Clinical Research Network Kent, Sussex and Surrey: Research Support Awards 2023

The Marketing and Communications Team was nominated for an award in the NIHR KSS: Research Support Awards.

### Quality in Care Awards

The Diabetes Team were commended at the Quality in Care awards; under the Patient Care Pathway, Secondary Primary and Specialist Care category; for the Freestyle Libre work with our Community Nursing Teams to improve the safety of vulnerable housebound patients.



### Canterbury Christ Church SHINE Awards

Hilda Emmanuel, Trainee Nursing Associate on from the Endeavour Suite, has received a SHINE award from her University. She has been recognised for supporting her class colleagues, carrying out the student rep role, showing care and compassion.

Hilda has continued to be a positive support to all students – going above and beyond to ensure everyone feels supported in their student roles.



## CCCU Business and Community Impact Awards 2023

Medway Community Healthcare, Blackthorn Trust, and the Health and Europe Centre won the Research Initiative of the Year award, for their collaboration with Canterbury Christ Church academics on the EU-funded Diabetes and Wellbeing (DWELL) project, a novel programme for the self-management of diabetes type 2, which affects 4.8 million people in the UK and presents a key public health challenge worldwide.

Through engaging local people in the programme, the DWELL project is making an important contribution to empowering people with diabetes in our region to live better and have the tools to effectively manage their health and wellbeing.





# Business environment

## MCH business development:

Our staff regularly identify opportunities to improve our services and introduce new activities that complement and enhance the care we provide. Further to this we use patient feedback and quality data to focus our development areas. Below are some of the opportunities we've taken forward in 2023-2024:

- Palliative Care are taking forward a Namaste approach to patient care. Namaste Care is a structured programme that integrates compassionate nursing care with individualised activities for people with advanced dementia care needs but can also be used in palliative care. 'Namaste' is an Indian greeting which means 'to honour the spirit within'. The care programme is multi-dimensional, including physical, sensory and emotional elements. The purpose of Namaste Care is to give comfort and pleasure to people with advanced dementia / palliative care through sensory stimulation, especially the use of touch. Namaste Care increases the length of time that healthcare staff spend engaging and connecting with individuals and provides a possible solution to meeting their sensory and emotional needs by enriching their quality of life.
- Urgent Response Team are the first in Kent to join daily South East Coast Ambulance Service (SECAMB) site calls, to 'pull' patients who have been waiting hours for an ambulance to be seen by the team within two hours in their own homes. This avoids a long ambulance wait and / or a busy Emergency Department, and busy hospital wards.
- The School Health Nursing Team initiated ChatHealth for young people. ChatHealth is a secure NHS approved text messaging service. All Medway young people aged 11-19 can text 07480 635 786 to start a conversation with a School Nurse. Anything from relationships, mental health, bullying, alcohol, self-harm, healthy eating, drugs and smoking. Young people can chat about a mental or physical health worry or question and the team will answer questions and offer confidential support and advice.
- The Bladder and Bowel Service has changed the way they deal with new referrals. Initially screening/triaging these and then booking into a new telephone clinic or face-to-face clinical depending on clinical need to reduce the waiting time for patients requiring a bladder and bowel assessment. The service also uses an on-line form to allow patients to complete a self-referral.



- The Tissue Viability Team worked jointly with the Cardiology Team to develop a heart failure oedema pathway to aid senior community staff to manage oedema in patients with heart failure.
- The Intermediate Care Team has continued to roll out system-wide training for single handed care and has provided training opportunities to MCH, Medway Council, and Medway Foundation Trust where over 60 clinicians have been trained in single handed care with support from Medequip, who assisted with the provision of a training venue and equipment to support the training. A further 7 clinicians were given 'train the trainer' training to ensure that the model was sustainable and manual handling leads from all organisations were also provided with specialist training in single handed care.
- MCH is working to develop Integrated Neighbourhood Teams, strengthening collaborative working with local health and social care partners and the voluntary, community and social enterprise sector to enhance support and care to our patients and their families.
- The Neighbourhood Nursing Team has introduced a Practice Development Facilitator role to support our new staff in developing their confidence and competence in supporting patients with complex needs in the community.
- We have introduced the Home Oxygen Service Assessment and Review (HOSAR), a collaboration between MCH, MFT and HRCG to ensure consistent care provision for those receiving oxygen therapy in their own homes.

We also use staff and patient ideas or suggestions to deliver additional social value and make a positive impact on the health and well-being of the people we care for such as:

- The 'Holding Hands' page was set up, linked via the MCH website. This has been widely advertised to parents, to help them find different activities / clubs as well as additional support and resources.
- A tuck shop for staff was set up at Snapdragons Children's Centre to raise money for future improvements to the children's and families' experiences.
- Children's Services received a cheque from the charity, Children with Life Threatening Illnesses (CWLTI), to purchase three picnic tables for their sensory garden at Snapdragons Children's Centre.
- 2 more volunteers have joined Snapdragons Children's Centre and offer their time for gardening.
- A new large planter of sensory herbs was installed at Snapdragons Children's Centre for the garden was bought using funds raised through the centre by parents.
- Money raised through Children's Services second-hand corner at Snapdragons Children's Centre from donations of good quality clothes and toys will be ring-fenced for the next project at Snapdragons.



- School uniforms were donated over the summer holidays which benefited parents who could purchase them for a small donation.
- Tissue Viability commenced joint working with the Homeless Team within Medway to offer support and treatment to patients with wounds that had been unable or unsure how to access wound treatment.
- Legs Matter Day was held for MCH staff to make them aware of lower limb conditions for prevention of ulceration and treatment options.
- Community Nursing worked in partnership with Mid Kent College (drama students) to deliver a scenario around good and bad communication on their READ training.

Despite the post pandemic challenges, we continued to trial and develop technology to assist with the delivery of health and care services, both within MCH and in support of the wider health economy. These included:

- Resolving outstanding issues and enhancing our electronic patient record system (RiO) across all adult services. RiO connects to the Kent & Medway Care Record allowing patient records to be shared electronically across clinical providers in all care settings, supporting higher quality care. EMIS will be connected in 2024/25.
- Continuing our collaboration with Actualised Living to transform our back-office functions by implementing a bespoke platform to link (and house) corporate functions, enabling them to offer better and more efficient support our clinical services. This also included the roll out of a new digital platform for staff rostering, incident management, risk management, complaints across the organisation and asset management within IT and dental services.
- The introduction of EMIS within the MSK service to have greater communication and referral management between the service and primary care leading to efficiencies and more timely communication between the two sectors.
- The launch of self-referrals to the MSK services for patients which has been positively received and commenced usage within 24 hours of go live.
- Investing in our IT infrastructure to keep up to date with hardware requirements and ensure our services are better supported 24/7 and increase security against cyber-attack. As part of this work, we have continued to invest in installing robotic process automation (RPA) technology within our support functions.
- Testing a Lone Worker App to support our staff with being able to identify their location from a staff safety perspective, rapid call making when in need for additional support and automation of travel claims to reduce administrative burden and release time back to direct clinical care.
- We have begun work to move MCH to a digital front door approach by enabling patient portals to support patients access our services and to improve patient engagement and to reduce our carbon footprint.

# Research and development



**351**  
studies  
reviewed for  
eligibility



**10**  
open  
studies



**9**  
studies in  
set up



**7**  
studies in  
follow up



**8**  
clinical  
specialties  
involved in  
research



**13**  
new  
studies set  
up in year



**229** research recruits

**153%** of our recruitment  
target





MCH Research Team with Kevin Jasper our volunteer Research Ambassador at September 2023 Team meeting.

MCH is funded by the Kent, Surrey and Sussex (KSS) Clinical Research Network (CRN) to support the delivery of National Institute of Health Research (NIHR) portfolio research studies.

The NIHR's mission is to improve the health and wealth of the nation through research. MCH has continued in its commitment to participating in clinical research during 2023-24, firmly establishing itself as a "Research-active" organisation within KSS, offering the patients and families we care for, and staff, the opportunity to participate in clinical trials and projects.



"MCH is an ambitious and enthusiastic partner, very committed to growing research opportunities for their local community. It is so satisfying to experience the research portfolio developing over the years, reflecting the time and energy invested."

Julia Simister Strategic Development Director, South East Regional Research Delivery Network April 2024.

This year MCH has continued to live our three core values of "Working in Partnership"; "Delivering Quality and Value" and being "Caring and Compassionate" as evidenced by the broad portfolio of studies delivered; joint working with many system and NIHR partners and our engagement with staff and the local community to bring meaningful and relevant research to the table.

Our team has grown during the year and this investment in workforce has enabled us to engage in a broader range of clinical research studies and increased capacity to support our staff to become more research active. We have also been able to participate in much more community engagement and networking and in particular develop a project with Medway Foundation Trust looking into Research accessibility in underserved communities.

A huge thank you goes to our staff who through their commitment to enabling research activity has allowed us to deliver high quality research and realise our vision of offering all the patients and families we work with the opportunity to participate. This has led to a year end position of again exceeding our recruitment target.

Next year we look forward to the opportunities brought by the transition of the Kent, Surrey, Sussex Clinical Research Network to a Regional Research Delivery Network.



# Our Research Story...

## Research in action



### NIHR Portfolio Studies

#### Quarter 4 and year end performance

81 new participants were recruited in quarter 4 taking our total recruitment to 229 at year end. MCH make a pledge target of 150 recruits so again have succeeded this for a second year (153% of pledge target).

4 new studies were opened during the quarter with 91 studies reviewed for eligibility.

At year end 351 studies were reviewed for eligibility with 13 new studies opened; 9 in set up as future studies and 7 in follow up. MCH currently have 31 different projects/studies on their portfolio at various stages.

MCH services involved with research activity during the year have included Darland House, Community Respiratory, Stroke, Children's services, Dental, Palliative Care, MSK Physiotherapy, Tissue Viability, Health Visiting as well as organisation wide studies for Prescribers and also perceptions of technology use.

Our highest recruiting studies in year were MINDER (72); PANDA-S (62) and REDUCE- CARBON (51)- details of these studies can be found below.

MCH are co-applicants on 2 potential future studies, all currently going through NIHR funding bids:

- Nurture Early for optimal Nutrition programme (NEON) - Children's study looking into food poverty.
- 'Understanding the support needs of African and African-Caribbean people living with dementia, their care partners and families and the impacts of delayed support: identifying inclusive strategies to facilitate timely and culturally appropriate social care support.' -with Geller Institute of Ageing and Memory, University of West London.

1 study, "Think, Talk, Act" -Palliative Care study looking at early end of life planning with the University of Kent, sadly did not progress past the 2nd stage funding application but the team are meeting to discuss future funding opportunities.



# Our Research Story...

## Non-Portfolio Projects



**Health Innovation**  
Kent Surrey Sussex

### Community Respiratory Team

A quality improvement (QI) project was established with Health Innovation Kent (HIN), Surrey, Sussex, Unity Insights and O2Matic looking at the use of Oxygen robots in Pulmonary Rehabilitation.

The robots have been successfully used in Denmark and allow for the automatic titration of oxygen flow for patients living with COPD dependent on their activity levels and oxygen demand. MCH aim to test this within the local Respiratory service.



Meetings have been ongoing to further develop the scoping plan of the evaluation and the team are awaiting delivery of the robots with a view to starting in May 2024.



### Children's Nursing

A QI project in partnership with Nuvoair trialing NuvoAir's home monitoring respiratory assessment and digital coaching as part of the Children's Asthma pathway.

The pilot started mid-November and a number of families have participated in the trial, seeing some immediate benefits.

Quality data (like the image on the right) has been being provided to the MCH Children's Asthma nurse to enable decision making around diagnosis and treatment optimisation, with a view to improving overall care and management.

A final report is due end of to be presented in April 2024.



NuvoAir Home Solution, including the NuvoAir Air Next Spirometer, NuvoAir Aos, NuvoAir Home App and the NuvoAir Clinician Portal





## Free courses available

Are you:

- over 18
- type 2 diabetic and need more help?

Every Thursday, join us at Sheppey Healthy Living Centre, for ten sessions across ten weeks which will cover diets, group activities and medications. We will also talk about ways to support your wellbeing.

Find out more and book your place by emailing: Jane Redding, DWELL Lead Facilitator at [jane.redding@nhs.net](mailto:jane.redding@nhs.net)



<https://www.dwell-diabetes.co.uk/>



## DWELL- Diabetes and Wellbeing

During 2023-24 funding was received from the Medway and Swale Health and Care Partnership via the Inequalities fund to extend the delivery of the programme.

Julie Webster (DWELL Programme Lead) and Jane Redding (DWELL Facilitator) successfully delivered 3 cohorts of DWELL (Diabetes and WELLbeing) Type 2 Diabetes education to 50 new participants. programme in the Medway and Swale region.

The programme was delivered at 2 main sites: the Shaw Memorial Hall in Gillingham and Sheppey Matters on the Isle of Sheppey. This was the first time the programme had been delivered in Swale.

The DWELL team with partners from the original project (Health and Europe Centre and Canterbury Christchurch University) had the opportunity to present the programme to the NHS England National Diabetes Education Programme Directors and feedback was very positive.

Feedback from participants was fantastic and discussions are ongoing with the Project managers from the Medway and Swale Health and Care Partnership to produce a business case for consideration of longer-term commissioning of the programme.

Strongly Agree Agree Neutral Disagree Strongly Disagree Not applicable

The DWELL programme has had a positive impact on my physical health.

The DWELL programme has had a positive impact on my mental health.

I feel I have increased my knowledge and understanding of Diabetes.

I feel more confident with managing my diabetes

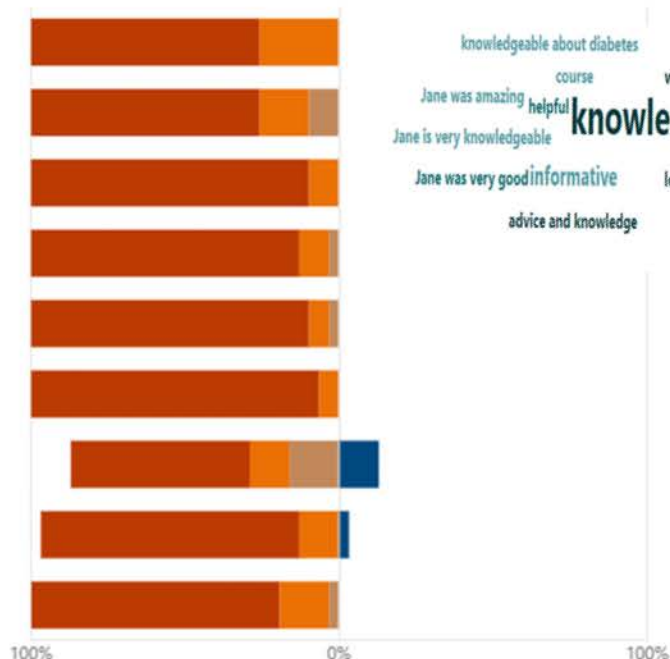
I feel more confident with knowing when to seek support from my healthcare professional e.g. GP,...

I would recommend the DWELL Programme to family and friends if they had Type 2 diabetes

The venue was easily accessible via public transport.

The venue had access to parking

The facilities at the venue were suitable for the programme



knowledgeable about diabetes course way friendly Jane good with lots honestly I feel Jane was amazing helpful knowledgeable Jane was lovely Jane was very good informative lots Excellent Good advice and knowledge learned so much specially



## MCH/MFT Underserved Communities Patient and Public Engagement Project

MCH have worked in partnership with Medway Foundation Trust on an NIHR funded project to support research engagement in “Underserved Communities”.

The scope of the project was to engage communities who do not typically engage in research to understand why this is and what are the barriers to people of different ethnic backgrounds taking part.

A video was created with staff from both organisations and an initial survey distributed via Survey Monkey. This gave some good initial insights into the reasons why people get involved in research and some of the potential barriers, which formed the basis of planned focus group discussions.

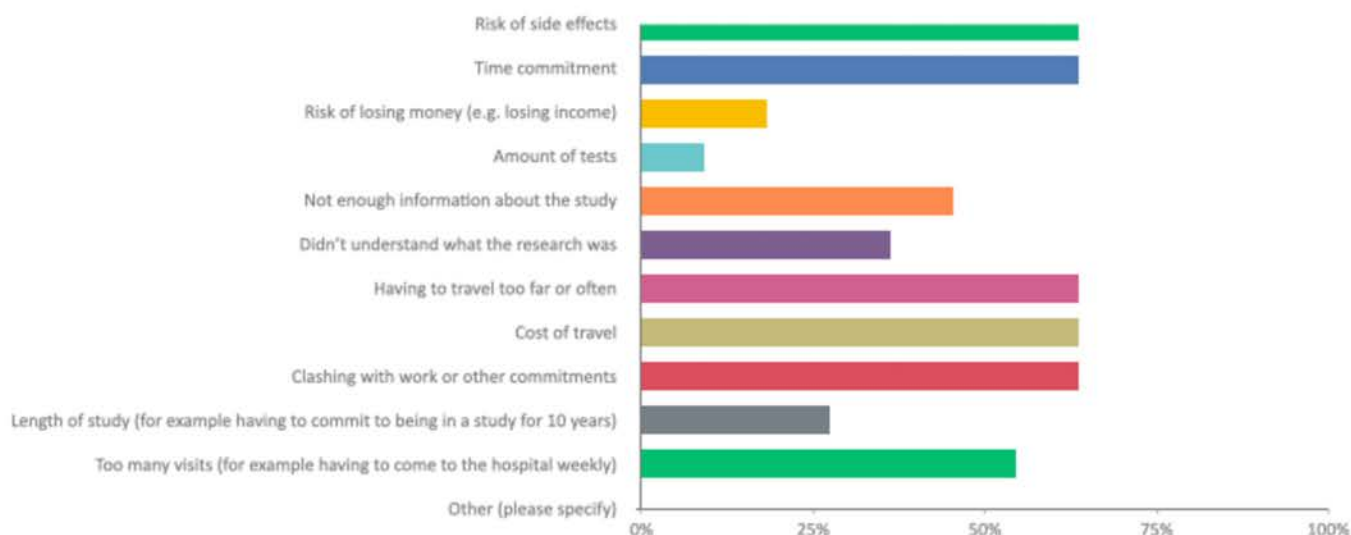
Focus groups took place with 2 distinct groups - Medway African and Caribbean Community and the Nigerian Association. This took place within local community settings. A further focus group is to be arranged Gillingham Town football club.

Interim results were presented at Medway Foundation Trust Annual Conference in March and a full write up is due end of May 2024.



### Q7: What would discourage you from taking part in research? (please circle all that apply)

Answered: 11 Skipped: 2



Powered by SurveyMonkey

Watch our video here:  
[Under Served research project \(youtube.com\)](https://www.youtube.com/watch?v=UnderServedresearchproject)



## Our staff

As a Community Interest Company, MCH is co-owned by its employees, and our staff play a key role in influencing how we run the business, and in shaping the organisation's future strategy. Since our establishment, we have strongly encouraged staff to become shareholders in the company and to voice their opinions on the decisions that face the business. Currently 99% of our staff are shareholders in MCH, something we are extremely proud of.

Our Elected Members Forum (EMF) is elected by our shareholders to work closely with the Board in shaping organisational strategy and direction. As a self-governing body, EMF representation is drawn from all areas of the business and part of their role is to facilitate and encourage the engagement of colleagues as well as supporting implementation of the strategic aims and annual plan.



In 2023/24 there were 13 members of our EMF, who worked together to explore staff suggestions submitted through their 'sounding board'; and led on the appointment of Non-Executive Directors and determined their remuneration.

In 2023/24 our EMF:

- Held Regular drop-in sessions for staff, restarting face to face sessions across all MCH sites. Supported the HR discussion with staff around reward and recognition and attended team meetings.
- Nominated representatives to the sub-committees of the Board.
- Supported communication and engagement, inclusion, health and wellbeing initiatives, charity and social value and social events. Two EMF members sit on the Health and Wellbeing Steering Group, and one member has been named as an inclusion ambassador.
- Held a Step up for January Challenge that saw over 60 staff logging as many steps as they could throughout month.
- Supported Medway Cares through fundraising and promotion work. For example, raising £200 with the Step up for January challenge.
- Identified specific questions to be included within the staff survey and produced an EMF staff survey to help gain an insight into staff understanding of EMF and how we can improve both staff engagement and EMF's effectiveness.
- Co-ordinated foodbank collections across MCH sites to support the Medway Foodbank.

Following the appointment of EMF as MCH's Freedom to Speak Up Guardians in 2016, the EMF has helped to highlight the importance of raising concerns in the organisation through attending team meetings, displaying posters and attending team meetings. They provide confidential advice and support to staff in relation to concerns they have about patient safety and/or the way their concerns have been handled; signposting staff to the correct routes to escalate issues. Where appropriate, the Guardians also escalate issues to the relevant Director/Assistant Director as a matter of urgency. EMF members all completed Freedom to Speak up training to develop their skills and enable them to respond appropriately to any concerns raised.



## Streamlined Energy and Carbon Reporting:

In accordance with the Government Streamlined Energy and Carbon Reporting (SECR) Programme, introduced in April 2019, the following disclosure is made to outline scopes 1, 2 and 3 during the 2023/24 financial year. This has been compared to the 2022/23 financial year's SECR disclosure to display progress made in reducing our carbon emissions. We have used the GHG Protocol Corporate Accounting and Reporting Standard and utilised the emissions factors from the UK Governments GHG Conversion Factors for Company Reporting 2023 to calculate our carbon emissions. We have adopted the operational control approach to define our reporting boundary. Where MCH is responsible for utility costs and travel expenses, these emissions are included.

To calculate the total energy consumption for the period, billing/invoicing data was analysed from our suppliers, namely:

- Total Energies; and
- EDF Energy

This data was then converted into tonnes of CO<sub>2</sub>e utilising the UK Governments GHG Conversion Factors for Company Reporting 2023. The equivalent carbon dioxide (CO<sub>2</sub>e) emissions for Medway Community Healthcare for 2023/24 was 506.804TCO<sub>2</sub>e

Taking the average number of staff working each month as 1646, we can calculate emissions of 307.9Kg of CO<sub>2</sub>e per employee in 2023/24. This can be compared with emissions for 2022/23, where average number of staff working in each month in 2022/23 was 1697, with emissions of 370.39Kg of CO<sub>2</sub>e per employee. This is a decrease of 16.87% per employee. The table below provides a comparison of our emissions in 2023/24 with 2022/23.

	2022/23	2023/24	%change
Gas (kWh)	1,698,538.94	1,116,543.80	-34.26%
Equivalent CO <sub>2</sub> e (T) Gas [SC]*	305.74	200.98	-34.26%
Electricity (kWh)	696,040.00	522,770.30	-24.89%
Equivalent CO <sub>2</sub> e (T) Electricity) [SC]	134.60	108.25	-19.58%
Fleet - Petrol and Diesel Consumption (L) - Petrol	3415.33	3245.54	-4.97%
Fleet - Petrol and Diesel Consumption (L) - Diesel	9161.55	9576.07	+4.49%

Fleet Emissions (TCO2e) [SC]	32.07	30.85	-3.80%
Business Travel (TCO2e) [OC]**	156.15	166.72	+6.77%
Total TCO2e (Gas, Electricity, Fleet and Business Travel)	628.56	506.80	-19.37%
Emissions per employee (Kg)	370.39	307.90	-16.87%

**SC: Standard Calculation**

\*\* OC (Optimal Calculation):

Whilst our gas, electricity and fleet emissions have reduced in 2023/24, our business travel emissions have increased as has our fleet diesel consumption. We will focus on reducing emissions from business travel and add it as a target in our Green Plan for 2024/25. We remain committed to reducing our carbon emissions throughout 2024/25 as we progress towards net zero. Since energy consumption accounts for 61% of our carbon emissions, we will continue to focus on energy reduction throughout all our sites and implement energy efficiency measures where possible.

**Combatting Climate Change:**

We take pride in our commitment to protecting the environment and reducing our impact on local communities and the planet. This year we have reduced our carbon emissions and increased engagement regarding sustainability at MCH. Initiatives during the year have included:

- Implementation of our Green Plan which sets out targets for MCH to become more sustainable and responsible in protecting our environment.
- Continued the roll out of LED lighting across all our managed sites.
- Implemented green office practices, such as promoting a paperless office. We have also introduced initiatives to reduce single-use plastics, such as by phasing out plastic cups; and are looking at how or prevent other single-use plastic items from being procured.
- We continue to use filtered mains water in our coolers which avoids the use of large plastic water containers.
- We try to use, where possible, local suppliers in our supply chain. In 2023/24 approximately 58% of MCHs non-pay spend (excluding agency staff) was within the ME postcodes.
- We continue to encourage staff to use remote working where possible, reducing travel and energy consumption.
- We advertise hybrid and electric vehicles through our lease car scheme and 2 of our MedOCC and one of our Dental fleet vehicles are hybrids.
- EMF continue to support our carbon reduction efforts.



- Green days' messages are sent out to all staff on national sustainability days to promote these issues to all our staff members.
- Increased awareness of sustainability throughout MCH by integrating sustainability topics into our internal meetings and Ask Exec meetings, which fosters the sharing of best practices and seeks to drive continuous improvement in our sustainable initiatives.
- Sustainability improvement being incorporated into financial improvement planning and governance for 2024/25.

Approved by the Board 25th September 2024 and signed on its behalf.

DocuSigned by:  
*Martin Riley*  
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**Martin Riley**  
Managing Director



# Directors' report

## for the year ended 31 March 2024

The directors present their report and the financial statements for the year ending 31 March 2024

### Directors

The directors who served during the year were:

- Martin Riley
- Bruce Potter
- Brian Tytherleigh
- Tony Corkett
- John Niland
- Dr Diana Hamilton Fairley
- Christopher Wright
- Helen Martin
- Penelope Jane Smith (left on 31 March 2024)

The following directors hold £1 ordinary shares in Medway Community Healthcare C.I.C:

- Martin Riley
- Christopher Jeremy Wright
- Louise Parker
- Helen Martin

### Employee matters

As a social enterprise Community Interest Company (C.I.C.) our employees co-own MCH and play a vital role in influencing our future plans. We automatically opt in all new staff as shareholders with the choice to opt out for those who do not wish to hold shares. Shareholding gives our staff a voice in real business decisions and currently 99% of our workforce are shareholders.

Our Elected Members' Forum (EMF) is elected by our shareholders to work closely with the Board in shaping organisational strategy and direction. As a self-governing body, EMF representation is drawn from all areas of the business and part of their role is to facilitate and encourage the engagement of colleagues as well as supporting implementation of the strategic aims and annual plan. Our elected members have explored staff suggestions submitted through their established sounding board, and lead on the appointment of non-executive directors and determine their remuneration.



The Joint Staff Forum (JSF) is for local and regional union representatives to be consulted upon and engaged in developments and policy improvements. The bi-monthly meetings have been invaluable to ensuring the continuation of the positive and effective relationship that has been developed. The JSF have influenced various policies and new initiatives ensuring the staff voice is heard and taken account of.

MCH is committed to removing any equalities barriers faced by staff and patients. We have a range of policies, procedures and an ongoing Equalities Action plan to ensure MCH's workforce is equalities aware and reflects the local community.

We annually collate data on the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES), as well as the Gender Pay Gap, comparing results to the previous year as well as benchmarking with other NHS Trusts and social enterprises. This data feeds into our MCH Equalities Action Plan with the aim of:

- Eliminating unlawful discrimination, harassment and victimisation
- Advancing the equality of opportunity between different groups
- Fostering good relations between different groups

**The main focus areas of our current Equalities Action Plan are:**

- Continuing to review disciplinary cases involving Black and Asian staff over the past 2 years to ensure cases are appropriate to instigate a hearing; and going forward, ensuring cases are appropriate before disciplinarys are arranged.
- Offering 'difficult conversation' training to managers so smaller issues are tackled without needing a formal process.
- Encouraging all staff to report any kind of bullying, discrimination or harassment from patients or staff, with such events being investigated with the appropriate action/learning put in place.
- Reviewing our sickness absence policy and management training to ensure compassionate and supportive management is in place.
- Collecting feedback from all of our staff to identify and remove any barriers as well as ensuring staff have tools and support to do their job.
- Continue to support our Inclusion Network, to ensure all voices including disabled voices are heard within our organisation.

Our Inclusion Network has been pivotal in celebrating and raising awareness of different religious events and lived experienced/barriers faced by MCH staff. The Inclusion Network is staff led group, from a range of cultural and religious backgrounds, who want to share their knowledge and experiences with rest of the workforce, with the aim of raising awareness and understanding. They have supported and amplified the voice of underrepresented staff groups within our workforce enabling improvements to be made (e.g. the group raised parking issues from disabled staff which lead to a different procedure being implemented). The Network has also worked with NHS England and NHS Employers to shape national equality policies and priorities within the NHS.

## Employees with a disability

MCH has continued to achieve the Disability Confident Committed standard. We ensure our recruitment process is inclusive and accessible by:

- Ensuring against discrimination
- Providing information in accessible formats, e.g. large print
- Accepting applications in alternative formats, e.g. in paper form
- Promoting our vacancies through a range of channels
- Guaranteeing interviews to applicants with a disability who meet the minimum criteria as specified in the job description
- Providing reasonable adjustments as required.

We support new and existing employees with disabilities to remain at work through a range of adaptations and reasonable adjustments available to them.





## Section 172 Statement:

As a Community Interest Company registered in England, MCH's Directors are committed to promoting the success of the company in the best interest of our staff and shareholders and the wider communities we serve. This statement provides both an overview of MCH's approach to engaging with our key stakeholders.

### Engagement with Employees:

During 2023-24:

- As part of our structured approach to change management, we undertook a programme of 'lessons learnt' activities with a specific focus on the implementation of a new electronic patient records system, EMIS. Staff involved were taken through a debrief process by a trained facilitator. This process included staff from Physiotherapy, the Project Management Office (PMO), Quality Team, Care Coordination Centre (CCC) and service managers. Feedback gained will be used in future change and project management planning.
- The Customer Experience Team ran 'Meet and Greet' sessions for new starters in the CCC to discuss their induction into the organisation. The sessions were informal and anonymous to encourage open and honest feedback. The CCC is an extremely busy service supporting our clinical teams, and we will use this vital feedback to help improve recruitment and retention but also to ensure staff wellbeing. The Learning and Development Team will be also be working with CCC staff to support with issues reported around corporate induction and the development of improved induction and training packages to ensure a holistic and positive experience for new employees.

### In addition to this:

- Our staff bulletin was shared twice a week and attracted a readership of 250-300 directly, as well as more via the closed staff Facebook group.
- Our e-magazine, For You, was published monthly via our staff intranet and direct email.
- Our closed Facebook group for staff, which has over 1,000 members (approximately 76% of staff) continued to develop and grow, serving as an important tool for engagement with staff during times of uncertainty - including during concerns about the NHS pay award in May and June 2023.
- We held 3 'Ask Exec' virtual events where staff logged in to discuss key issues with members of the Executive Team.
- We took part in awareness events such as International Nurses' Day and Dementia Action Week, to recognise our colleagues and service users and their carers.
- Our intranet includes organisational information, service level information, wellbeing, benefits and employment information; and online self-service opportunities for staff to apply for ID badges, uniforms etc.
- We held our AGM in November 2023, where our shareholders voted to receive the Directors' Report and Financial Statements; to receive a report from the Elected Members' Forum (EMF); and to appoint new auditors. In addition, highlights were shared from the Quality Showcase, held in September 2023.
- We supported, shared and encouraged participation in the NHS staff survey. Results were received in early 2024 and local (team/service specific) results have been shared with team leads for the development of local action plans. Organisation-wide results are being reviewed and an action plan will be shared and implemented.
- Services pillars and services have continued to hold regular team meetings where senior managers share information with their staff, and can gather feedback from their services and teams to Directors. Members of the Executive Team join these team meetings regularly, either to respond to specific concerns, or simply to provide a face-to-face opportunity for staff to raise questions.



## **Engagement with partners, suppliers and service users and the public:**

The Customer Experience Team has continued to support and develop surveys with services to understand what our users think about the services we provide, and gain insights that enable us to continue to develop and improve the care we provide. In addition to we have introduced the 'Gather' system to provide data for audit, the Friends and Family Test, compliments and feedback surveys. The system has provided the following improvements:

- More user friendly and intuitive than the previous system. This has enabled us to continue our FFT data collection with minimal disruption during the handover period.
- Increased autonomy. We are able to send out the FFT bulk emails ourselves at intervals chosen by us. We are also able to create our own campaigns and have more bespoke FFT surveys going out which have shown increased and faster returns.
- Improved functions for our survey designs for services.
- Specific dashboards can be designed to collate and report specific data.
- Greater accessibility for services to retrieve reports and review their own data.

MCH continues to take a leading role in the development of the Medway and Swale H&CP. This involves working closely with health and social care partners across our locality – working together to communicate in a collaborative way, planning for future care pathways to best suit our patients and communities and considering future ways of working which will streamline and modernise the NHS back-office systems and processes. We also work closely with partners across networks outside of the formal H&CP and ICS groups, collaborating on the development of clinical pathways; communications campaigns; engagement with the public; and finance, reporting and contracting. We have also worked with charitable and voluntary organisations locally, ensuring that they are part of the way we provide care. This has included supporting social prescribing, opportunities for local people and supporting local businesses.



## Matters covered in the strategic report

Certain items required under Schedule 7 to be disclosed in the Directors' Report are set out in the Strategic Report in accordance with S.414C(II) of the Companies Act 2006; these being the Company's principle risks and uncertainties and Streamlined Energy & Carbon Reporting.

## Post balance sheet events

There have been no significant events affecting the Company since the year end.

In May 2024 MCH allotted an additional 75 shares in the Company.

## Provision of information to the auditor


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- So far as that the director is aware, there is no relevant audit information of which the
- Company's auditor is unaware; and that each director has taken all the steps that ought to have been taken as director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

## Auditors

The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 25 September 2024 and signed on its behalf.

DocuSigned by:  
  
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**Martin Riley**  
Managing Director

# Statement of directors' responsibilities

For the year ended 31 March 2024

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that:

- Are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company; and
- Enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Independent auditors report

to the members of Medway  
Community Healthcare CIC.

## Opinion

We have audited the financial statements of Medway Community Healthcare C.I.C. (the 'company') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the company's financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

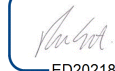
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Duncan Cochrane-Dyet BSc BFP FCA  
(Senior Statutory Auditor)

for and on behalf of  
MHA

Statutory Auditor

Maidstone

United Kingdom

Date: 10/15/2024

*MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)*



# Statement of comprehensive income

for the year ended 31 March 2024

	Note	2024 £000	2023 £000
<b>INCOME</b>	<b>2</b>	<b>77,416</b>	75,181
Cost of services		(66,567)	(68,991)
<b>GROSS PROFIT</b>		<b>10,849</b>	6,190
Administrative expenses		(12,924)	(12,385)
Reversal of impairment on building		79	685
Impairment of investment		(75)	-
Other operating income		2,588	2,840
<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<b>517</b>	(2,670)
Interest receivable		389	44
Interest payable		(4)	(7)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>902</b>	(2,633)
Tax on (loss)/profit on ordinary activities	<b>6</b>	-	268
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>902</b>	(2,365)
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial gains on defined benefit pension schemes	<b>16</b>	-	176
Revaluation of buildings		239	51
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>1,141</b>	(2,138)

All amounts relate to continuing operations.

The notes on page 48 to 77 form part of these financial statements.

# Statement of changes in equity

## for the year ended 31 March 2024

	Profit and loss account	Called up share capital	Pension reserve	Revaluation reserve	Total equity
	£000	£000	£000	£000	£000
<b>AT 1 APRIL 2023</b>	<b>2,021</b>	<b>2</b>	<b>-</b>	<b>276</b>	<b>2,299</b>
<b>Profit for the year</b>	<b>902</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>902</b>
<b>Revaluation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239</b>	<b>239</b>
<b>At 31 March 2024</b>	<b>2,923</b>	<b>2</b>	<b>-</b>	<b>515</b>	<b>3,440</b>

	Profit and loss account	Called up share capital	Pension reserve	Revaluation reserve	Total equity
	£000	£000	£000	£000	£000
<b>AT 1 APRIL 2022</b>	<b>4,050</b>	<b>2</b>	<b>160</b>	<b>225</b>	<b>4,437</b>
<b>Profit for the year</b>	<b>(2,365)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,365)</b>
<b>Revaluation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>51</b>
<b>Actuarial gains on pension scheme</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176</b>
<b>Transferred pension reserve</b>	<b>160</b>	<b>-</b>	<b>(160)</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2023</b>	<b>(2,021)</b>	<b>2</b>	<b>-</b>	<b>276</b>	<b>(2,299)</b>

The pension reserve shows the designated reserves amount to match the pension fund liability recognised.

The notes on page 48 to 77 form part of these financial statements.



# Statement of financial position

as at 31 March 2024

		2024		2023	
	Note	£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	8		1,310		1,364
Tangible assets	7		5,701		5,677
Investments	20		-		70
			<u>7,011</u>		<u>7,111</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	9	6,268		6,591	
Cash at bank and in hand	15	8,907		8,058	
		<u>15,175</u>		<u>14,649</u>	
CREDITORS: amounts falling due within one year	10	(14,423)		(15,907)	
NET CURRENT ASSETS			<u>752</u>		<u>(1,258)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,763		5,853
CREDITORS: amounts falling due after one year	10	(2,571)		(3,046)	
Provisions for liabilities	11	(1,752)		(508)	
NET ASSETS			<u>3,440</u>		<u>2,299</u>
CAPITAL AND RESERVES					
Called up share capital	13		2		2
Profit and loss account			2,923		2,021
Revaluation reserve			515		276
SHAREHOLDERS' FUNDS			<u>3,440</u>		<u>2,299</u>

The financial statements of Medway Community Healthcare CIC, registered number 07275637, were approved and authorised for issue by the Board on 25 September 2024.

Approved and authorised for issue by the Board and signed on its behalf by

**Martin Riley, Managing Director**

The notes on page 48 to 77 form part of these financial statements.

DocuSigned by:

Martin Riley  
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# Statement of cash flows

## for the year ended 31 March 2024

		2024	2023
	Note	£000	£000
<b>OPERATING ACTIVITIES</b>			
<b>Net cash flow from operating activities</b>	<b>14</b>	<b>1,669</b>	<b>2,482</b>
<b>Investing activities</b>			
Interest received		<b>389</b>	44
Payments to acquire tangible fixed assets		<b>(360)</b>	(1,052)
Payments to acquire intangible fixed assets		<b>(640)</b>	(235)
<b>Net cash flow used in investing activities</b>		<b>(611)</b>	<b>(1,243)</b>
<b>Financing activities</b>			
Payments in respect of the capital element of finance leases		<b>(205)</b>	(202)
Interest paid on finance lease liabilities		<b>(4)</b>	(7)
<b>Net cash flow used in financing activities</b>		<b>(209)</b>	<b>(209)</b>
<b>Increase in cash in the year</b>		<b>849</b>	1,030
<b>Cash and cash equivalents at 1 April</b>		<b>8,058</b>	7,028
<b>Cash and cash equivalents at 31 March</b>		<b>8,904</b>	8,058

The notes on page 48 to 77 form part of these financial statements.



# Notes to the financial statements

## for the year ended 31 March 2024

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Medway Community Healthcare C.I.C is a Public Benefit Entity limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK, and the Companies Act 2006.

The financial statements are presented in Pound Sterling which the functional currency of the Company and amounts are rounded to the nearest thousand Pounds Sterling.

#### Consolidation

The Company has taken advantage of the exemption allowed under FRS 102 paragraph 9.9A (Companies Act 2006 s402) and has not consolidated its subsidiary company on the basis that it is not material for the purpose of giving a true and fair view. The associated undertaking is also not consolidated on the basis that the Company does not hold more than 50% of the allotted shares in the entity.

#### Going Concern

The financial statements are prepared on a going concern basis and there are no material uncertainties that cast significant doubt the Company's ability to continue as a going concern.

#### 1.2 Income

Income comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable, with the exception of income to the Information Governance Department where reports are not issued until the customer has paid.

When income has been received for a specific activity to be delivered in the following financial year, that income will be deferred.

## Notes to the financial statements for the year ended 31 March 2024

### **Revenue from Non NHS contracts**

The majority of non-NHS income comes from contracts agreed with the Local Authority acting as commissioner for health and social care services. A performance obligation relating to delivery of a spell of health or social care is generally satisfied over time as health or social care is received and consumed simultaneously by the customer as the company performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. In the year ending 31 March 2024 the majority of income was in the form of a block contract arrangements. The related performance obligation is the delivery of healthcare and related services during the period, with the company's entitlement to consideration not varying based on the levels of activity performed.

In addition, revenue is received from private patients and for prescription costs. This income is recognised as the provision is given.

### **1.3 Other operating income**

Other operating income comprises of income recognised by the company in respect of training, contributions from charities, pay award, ICB and research funding and other miscellaneous income, this is recognised exclusive of Value Added Tax.

Other operating income is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

When revenue has been received for a specific activity to be delivered in the following financial year, that income will be deferred.

### **1.4 Intangible assets**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the company's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the company, where the cost of the asset can be measured reliably, and where the cost is at least £5,000.



## 1. Accounting policies

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful life. If a reliable estimate of the estimated useful life cannot be made the life should not exceed 5 years. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

If there are indicators that the residual or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if appropriate the residual value, amortisation or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Internally-generated assets are recognised only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Computer software licences are amortised on a straight line basis over the period of the licence.

### 1.5 Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

#### Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the company;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually has a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.



## Notes to the financial statements for the year ended 31 March 2024

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Fixtures and Fittings - over 4-10 years straight line
- Medical equipment - over 5 years straight line
- IT Equipment - over 5-10 years straight line
- Vehicles - over 4-7 years straight line
- Buildings - over 5-29 years straight line (based upon advice from a professional valuer)

Estimated useful lives and residual values are reviewed each year. Freehold land is considered to have an infinite life and is not depreciated. Assets in the course of construction are not depreciated until the asset is brought into use.

### Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings are subsequently remeasured at a market valuation, which is performed periodically by a chartered surveyor, to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Property is subsequently revalued at each year end on a depreciated replacement cost basis, and any revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



## 1.6 Provisions for liabilities

Provisions are recognised when a present legal or constructive obligation has arisen as a result of a past event, it is probable that it will be necessary to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

A provision has been recognised in relation to dilapidations with respect to leased buildings. Further detail is provided at Note 11.

## 1.7 Deferred tax

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

## 1.8 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with banks where maturity occurs within 3 months of the year end. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

## 1.9 Leasing and hire purchase commitments

### Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the company, the asset is recorded as a fixed asset and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as a fixed asset.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.



## Notes to the financial statements for the year ended 31 March 2024

### Operating Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

### 1.10 Pensions

#### NHS Pension Scheme

Employees who transferred into the company on 1 April 2011 are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable employing bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the employer of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the organisation commits itself to the retirement, regardless of the method of payment. This scheme is now open to all eligible staff.

#### Scottish Widows Pension Scheme

Employees who joined the company after 1 April 2011 can choose to participate in the NHS Pension Scheme (if they are eligible) or in the Scottish Widows Pension Scheme. The latter scheme is a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

The liabilities of the Kent pension fund attributable to Medway Community Healthcare C.I.C. are included in the Statement of Financial Position on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

The assets of the Kent pension fund attributable to Medway Community Healthcare C.I.C. are included in the Statement of Financial Position at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value



The change in the net pension liability is analysed into 5 components:

- Service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Statement of Comprehensive Income to the services for which the employee worked.
- Net interest cost – this is made up of the interest income on the assets and interest expense on the defined benefit obligation, both are calculated with reference to the discount rate – debited to financial charges in the Statement of Comprehensive Income.
- Remeasurement of net assets/defined liability. – this is made up of the impact of the change in financial assumptions that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions and the return on fund assets in excess of interest – debited/credited to the Pensions Reserve.
- Contributions paid to the Kent pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- Administration expenses – debited to the Statement of Comprehensive Income.

## 1.11 Financial Instruments

### Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

## 1.12 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects the current and future periods.

In the view of the Directors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. In arriving at this conclusion, the Directors have considered factors such as depreciation, bad debt provisions, dilapidations and fixed asset valuations.



**Dilapidations**

The company has obligations under certain property leases to restore buildings to a reasonable standard at the end of the lease. The directors have estimated therefore a provision for dilapidations by reference to expected costs per square metre of £903, based on past experience of similar works and with reference to general advice provided by a chartered surveyor. An uplift of £500 per square metre has been added when the area has been previously adapted by the company for clinical purposes on the basis that the restitution cost will be higher. This premium is based on experience of similar works done on leased properties, and is calculated by an estimate of the proportionate area of the clinical space to the total area. Whilst an estimate, the directors judge that the overall provision as shown in Note 11 is materially accurate. A further area of judgment is the point at which the past event arises that crystallises the obligation, which is assessed to be the point at which a decision was made not to renew the lease. For MCH House, the larger part of the provision, this occurred in the current year.

**Valuations**

Property as a class of tangible fixed assets is held at valuation. As such properties used by the company have a very specific application, a fair value methodology on market-based evidence is not appropriate. Therefore they are valued periodically by Harrisons Chartered Surveyors at depreciated replacement cost, inclusive of irrecoverable VAT.



## Notes to the financial statements for the year ended 31 March 2024

**2. Turnover**

	2024	2023
	£000	£000
<b>NHS Revenue</b>	<b>67,451</b>	65,225
<b>Non NHS Revenue</b>	<b>9,965</b>	9,956
	<b>77,416</b>	75,181

All turnover arose within the United Kingdom.

**3. Operating profit**

	2024	2023
	£000	£000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration - audit services	<b>60</b>	58
Auditors' remuneration - tax computation and compliance services	<b>5</b>	5
Internal audit and counter fraud services	<b>45</b>	49
Depreciation and amortisation	<b>1,190</b>	1,059
Release of deferred grant income against depreciation	<b>(245)</b>	(243)
Profit on disposal of fixed assets	-	(9)
Reversal of impairment of building	<b>(79)</b>	(685)
Operating lease payments - see Note 17	<b>3,687</b>	4,286

Amortisation of intangible assets is charged to administration expenses.

## Notes to the financial statements for the year ended 31 March 2024

**4. Employees**

2024	2023
£000	£000

Staff costs, including directors' remuneration, were as follows:

Wages and salaries	<b>44,356</b>	45,958
Apprenticeship Levy	<b>222</b>	206
Social security costs	<b>4,677</b>	4,417
Other pension costs - see Note 16	<b>5,570</b>	5,392
	<b>54,809</b>	55,973

The average monthly number of employees, including the directors, during the year was as follows:

2024	2023
No.	No.
1,637	1,688
4	4
<b>1,641</b>	1,692

This includes employees with zero hours' contracts, where hours are worked based on the needs of the business and payment is made accordingly, rather than at a set level.

**5. Directors' remuneration**

2024	2023
£000	£000
806	731
55	47

During the year retirement benefits were accruing to 0 directors (2022/23: 0) in respect of defined contribution pension schemes and 6 (2022/23: 5) in respect of defined benefit pension schemes.

The highest paid director received total remuneration of £238k split as follows:

£227k emoluments (2022/23: £252k) and £11k company pension contribution (2022/23: £3k).



## 6. Taxation

The tax charge is made up as follows:

### Current tax

UK corporation tax charge on profit/(loss) for the year

Adjustments in respect of prior periods

### Deferred tax

Origination and reversal of timing differences

Adjustment in respect of prior periods

Effect of tax rate change on opening balance

Total tax charge/(credit) recognised in the income statement for the year

2024	2023
£000	£000
-	-
-	-
592	(268)
(592)	-
-	-
-	(268)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022/23 – lower than) the standard rate of corporation tax in the UK of 19% (2022/23 – 19%).

The differences are explained below:

Profit/(loss) on ordinary activities before tax

Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022/23: 19%)

### Effects of:

Fixed asset differences

Expenses not deductible for tax purposes

Income not taxable for tax purposes

Capitalised revenue expenditure

Adjustments to tax charge in respect of prior periods

Remeasurement of deferred tax for changes in tax rates

Movement in deferred tax not recognised

### Current tax charge for the year

902	(2,633)
226	(500)
34	5
19	-
(82)	(176)
-	(2)
(592)	-
395	(213)
-	618
-	(268)

The company has recognised a deferred tax liability of £0k (2022/23: £0k) in respect of short timing differences.

## Notes to the financial statements for the year ended 31 March 2024

The company has recognised a deferred tax liability of £0k (2022/23: £0k) in respect of short timing differences.

### Factors that may affect future tax charges

Legislation has been introduced in the Finance Bill 2021 to effect an increase in the Corporation Tax main rate to 25% for the financial year beginning 1 April 2023.

### 7. Tangible fixed assets

Fixtures and fittings	Medical equipment	IT equipment	Vehicles	Building	Land	Total
£000	£000	£000	£000	£000	£000	£000

#### Cost or valuation

At 1 April 2023	971	695	1,403	104	3,788	700	7,661
Additions	25	112	269	25	-	-	431
Disposals	(692)	(44)	-	-	-	-	(736)
Revaluation	-	-	-	-	(73)	140	67
At 31 March 2024	304	763	1,672	129	3,715	840	7,423

#### Depreciation

At 1 April 2023	(758)	(319)	(811)	(85)	(11)	-	(1,985)
Charge for the year	(69)	(114)	(293)	(9)	(239)	-	(724)
Disposals	692	44	-	-	-	-	736
Revaluation	-	-	-	-	250	-	250
At 31 March 2024	(135)	(389)	(1,104)	(94)	-	-	(1,772)

#### Net book value

At 31 March 2024	169	374	568	35	3,715	840	5,701
At 31 March 2023	213	376	592	19	3,777	700	5,677

### Finance Leases

The net book value of IT equipment includes an amount of £151k (2022/23: £352k) in respect of assets held under finance leases. Such assets are classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and the assets revert to the Medway Community Healthcare C.I.C. at the end of the contract term with no further payment required.



**8. Intangible fixed assets**

	Computer software
	£000
<b>Cost</b>	
At 1 April 2023	2,141
Additions	412
At 31 March 2024	2,553
<b>Amortisation</b>	
At 1 April 2023	(777)
Charge for the year	(466)
At 31 March 2024	(1,243)
<b>Net book value</b>	
<b>At 31 March 2024</b>	<b>1,310</b>
At 31 March 2023	1,364

**9. Debtors**

Current	2024	2023
	£000	£000
<b>NHS trade debtors</b>	<b>1,503</b>	2,535
<b>Non NHS trade debtors</b>	<b>258</b>	1,709
<b>Prepayments and accrued income</b>	<b>4,443</b>	2,314
<b>Provision for bad debts</b>	<b>(29)</b>	(28)
<b>Other debtors</b>	<b>93</b>	61
	<b>6,268</b>	6,591

## Notes to the financial statements for the year ended 31 March 2024

**10. Creditors**

	2024	2023
	£000	£000
<b>Amounts falling due within one year</b>		
NHS trade creditors	2,811	2,216
Non NHS trade creditors	1,551	2,042
Accruals and deferred income	8,813	10,349
Amounts due to subsidiary undertakings	2	1
Other taxes and social security	1,082	1,090
Obligations under finance leases	157	204
Other creditors	7	5
	<b>14,423</b>	<b>15,907</b>

**Amounts falling due after one year**

Accruals and deferred income	2,571	2,888
Obligations under finance leases	-	158
	<b>2,571</b>	<b>3,046</b>

	2024 Deferred income current	2024 Deferred income non- current	2024 Total	2023 Total
	£	£	£	£
At 1 April	3,204	2,888	6,092	5,191
Additions	1,824	8	1,832	3,195
Utilised during the year	(1,698)	(246)	(1,944)	(2,294)
Reversed during the year	-	(79)	(79)	-
At 31 March	<b>3,330</b>	<b>2,571</b>	<b>5,901</b>	<b>6,092</b>



## Notes to the financial statements for the year ended 31 March 2024

2024	2023
£000	£000

**Total of company's future minimum lease payments under finance leases:**

Not later than one year	<b>157</b>	205
Later than one year and not later than five years	-	156
Later than five years	-	-

**11. Provisions**

	2024 General Provisions	2024 Dilapidations Provisions	2024 Deferred Tax	2024 Total	2023 Total
	£	£	£	£	£
At 1 April	<b>125</b>	<b>383</b>	-	<b>508</b>	1,334
Additions	-	<b>1,508</b>	-	<b>1,508</b>	168
Utilised during the year	-	<b>(174)</b>	-	<b>(174)</b>	(649)
Reversed during the year	-	<b>(90)</b>	-	<b>(90)</b>	(345)
At 31 March	<b>125</b>	<b>1,627</b>	-	<b>1,752</b>	508

General provisions relate to anticipated legal fees in ongoing medical and employee legal claims. There are a number of various medical and employment claims at different stages of the process and with a variety of expected outcomes.

The dilapidations provisions relates to the closure of MCH House (£1,498k) Units 7 and 8 Ambley Green (£120k) and Amherst Court (£9k). Unit 7 and 8 Ambley Green were vacated during 2022/23 and Amherst Court vacated during 2023/24. The lease on MCH House expires on 31 January 2026 and there is a requirement to reinstate the building to its original non-clinical state.

Notes to the financial statements for the year ended 31 March 2024

Deferred tax liability

	2024	2023
	£000	£000
Fixed asset timing differences	630	597
Short term timing differences	-	(8)
Losses and other deductions	(630)	(589)
	-	-

12. Contingent liabilities

There are no known contingent liabilities (2022/23: nil).

13. Share capital

	2024	2023
	£000	£000
Alloted and issued share capital		
Ordinary shares of £1 each - unpaid	2	2

At 31 March 2024 the company had 1,681 allotted and issued ordinary shares (2022/23: 1,681)

No dividends can be paid in respect of the above shares

In May 2024 MCH allotted an additional 75 shares in the Company.



## Notes to the financial statements for the year ended 31 March 2024

**14. Net cash flow from operating activities**

	2024	2023
	£000	£000
Operating Profit/(Loss)	517	(2,670)
Decrease/(Increase) in debtors	323	(320)
(Decrease)/Increase in creditors	(1,352)	5,732
Increase/(Decrease) in provisions	1,245	(558)
Depreciation and amortisation	1,190	1,059
Release of deferred grant income against depreciation	(245)	(243)
Reversal of impairment on tangible fixed assets	(79)	(685)
Impairment of investments	70	-
Profit on disposal of tangible fixed assets	-	(9)
Actuarial gain	-	176
Cash flow from operating activities	1,669	2,482

**15. Analysis of changes in net funds**

	1 April 2023	Cash Flow	31 March 2024
	£000	£000	£000
Obligations under finance leases	(363)	206	(157)
Cash at bank and in hand	8,058	849	8,907
<b>Net funds</b>	7,695	1,055	8,750

The cash figure includes a £212k Bond held for the benefit of Kent County Council (2022/23: £307k).

Lloyds Bank Plc hold a fixed charge over cash balances.

## 16 Pension commitments

Medway Community Healthcare C.I.C. participates in two defined benefit pension schemes and one defined contribution scheme. From 1 May 2014 all new employees and existing employees (who did not previously TUPE) were able to choose between the NHS Pension scheme (if they are eligible) or the Scottish Widows scheme.

The total pension charge in note 4 has been reduced by c. £7k due to income from pay recharges to other bodies.

### NHS Pension Scheme

The total pension charge for the year was £5,447k (2022/23: £5,255k) for the NHS Pension Scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period. Medway Community Healthcare C.I.C has no liability for other employer's obligations for the multi-employer scheme.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2019, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.



## Notes to the financial statements for the year ended 31 March 2024

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

#### Scottish Widows Pension Scheme

The total pension charge for the year was £114k (2022/23: £126k) for the Scottish Widows Pension Scheme.

The Scottish Widows scheme is a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### Local Government Pension Scheme

In 2013/2014 staff transferred to Medway Community Healthcare C.I.C. from Medway Council. The transferred employees are entitled to continue their participation in the Local Government Pension Scheme. This is a defined benefit pension scheme. The total pension charge for the year was £15k (2022/23: £17k).

This is a defined benefit statutory scheme administered in accordance with the Local Government Pension Regulations 2013/14.

Contributions are set every 3 years as a result of the actuarial valuation of the Fund required by the regulations. The last actuarial valuation of the Fund was carried out as at 31 March 2022 and set contributions for the period 1 April 2023 to 31 March 2026.

An asset arising at the balance sheet date representing a surplus of assets allocated to the scheme versus allocated scheme liabilities, has been derecognised. This is because the directors have concluded the asset will not be realised in the form of a rebate or reduced contributions, and therefore the recognition criteria have not been met.

## Notes to the financial statements for the year ended 31 March 2024

The following information is taken from the actuarial report commissioned by the Administering Authority.

**Reconciliation of opening to closing defined benefit pension scheme asset/(liability)**

	2024	2023
	£000	£000
Present Value of Funded Obligation	(2,735)	(2,727)
Fair Value of Scheme Assets (bid value)	3,637	3,586
Derecognition of pension scheme asset	(902)	(859)
<b>Net Liability in Balance Sheet</b>	-	-

**The amounts recognised in the profit and loss statement are:**

	2024	2023
	£000	£000
Service cost	16	29
Net interest on the defined liability	-	3
Administration expenses	3	2
<b>Total</b>	<b>19</b>	<b>34</b>



## Notes to the financial statements for the year ended 31 March 2024

2024	2023
£000	£000

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

<b>Opening Defined Benefit Obligation</b>	<b>2,727</b>	3,771
Current Service cost	<b>16</b>	29
Past Service Cost	-	-
Interest cost	<b>130</b>	96
Change in financial assumptions	<b>(15)</b>	(1,230)
Change in demographic assumptions	<b>(36)</b>	(76)
Experience loss on defined benefit obligation	<b>8</b>	253
Estimated benefits paid net of transfers in	<b>(98)</b>	(120)
Contribution by Scheme Participants	<b>3</b>	4
<b>Closing Defined Benefit Obligation</b>	<b>2,735</b>	2,727

2024	2023
£000	£000

**Reconciliation of opening and closing balances of the fair value of Scheme assets**

<b>Opening fair value of Scheme assets</b>	<b>3,586</b>	3,611
Interest on assets	<b>171</b>	93
Return on assets less interest	<b>(37)</b>	(46)
Administration expenses	<b>(3)</b>	(2)
Contribution by employer including unfunded	<b>15</b>	18
Contribution by Scheme participants	<b>3</b>	4
Other actuarial gains	-	28
Estimated benefits paid net of transfers in	<b>(98)</b>	(120)
<b>Fair value of Scheme assets at end of the year</b>	<b>3,637</b>	3,586

## Notes to the financial statements for the year ended 31 March 2024

	2024	2023
	£000	£000
<b>Reconciliation of opening and closing surplus/</b>		
<b>(deficit) at 1st April</b>	<b>859</b>	(160)
Current Service cost	<b>(16)</b>	(29)
Past Service Cost	-	-
Interest cost	<b>(130)</b>	(96)
Employer contributions	<b>15</b>	18
Interest on assets	<b>171</b>	93
Return on assets less interest	<b>(37)</b>	(46)
Change in financial assumptions	<b>15</b>	1,230
Change in demographic assumptions	<b>36</b>	76
Experience loss on defined benefit obligation	<b>(8)</b>	(253)
Other actuarial gains	-	28
Administration expenses	<b>(3)</b>	(2)
Derecognition of pension asset	<b>(902)</b>	(859)
<b>Deficit at 31st March</b>	<b>-</b>	-



Notes to the financial statements for the year ended 31 March 2024

Assets

Employer Asset Share - Bid Value

	2024		2023	
	£000	%	£000	%
Equities	2,115	58.2	2,288	63.9
Gilts	267	7.3	19	0.5
Other Bonds	524	14.4	471	13.1
Property	326	9.0	359	10.0
Cash	58	1.6	64	1.8
Absolute Return Portfolio	184	5.1	262	7.3
Infrastructure	163	4.5	123	3.4
Total	3,637	100	3,586	100

2024

2023

Years

Years

Principal Actuarial Assumptions

Life Expectancy from 65 (years)

Retiring today	Males	20.8	21.1
	Females	23.3	23.5
Retiring in 20 years	Males	22.0	22.3
	Females	24.7	25.0

Notes to the financial statements for the year ended 31 March 2024

Financial Assumptions	2024	2023
	%pa	%pa
Main scheme		
RPI Increases	3.3	3.4
CPI Increases	2.9	2.9
Salary Increases	3.9	3.9
Pension Increases	2.9	2.9
Discount Rate	4.9	4.8
Driver's Scheme		
RPI Increases	3.3	3.4
CPI Increases	2.9	2.9
Salary Increases	3.9	3.9
Pension Increases	2.9	2.9
Discount Rate	4.9	4.8



## Notes to the financial statements for the year ended 31 March 2024

**Sensitivity Analysis**

	£000	£000	£000	£000	£000
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present Value of Total Obligation	2,576	2,702	2,735	2,769	2,910
Projected Service Cost	15	16	16	16	17
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present Value of Total Obligation	2,739	2,736	2,735	2,734	2,580
Projected Service Cost	16	16	16	16	16
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present Value of Total Obligation	2,909	2,769	2,735	2,702	2,576
Projected Service Cost	17	16	16	16	15
Adjustment to life expectancy assumptions		+1 year	None	-1 year	
Present Value of Total Obligation		2,835	2,735	2,638	
Projected Service Cost		17	16	16	

Notes to the financial statements for the year ended 31 March 2024

Amounts recognised in Other Comprehensive Income are:

	2024	2023
	£000	£000
Return on assets less interest	(37)	(46)
Other actuarial gains	-	28
Change in financial assumptions	15	1,230
Change in demographic assumptions	36	76
Experience loss on defined benefit obligation	(8)	(253)
Derecognition of pension scheme asset	(6)	(859)
<b>Remeasurement of the net assets/(defined liability)</b>	<b>-</b>	<b>176</b>
<b>Movements in other comprehensive income</b>	<b>-</b>	<b>176</b>

17. Operating leases

At 31 March 2024 the company incurred the following rental charges:

Buildings 2024	Lease cars 2024	Equipment 2024	Total 2024
£000	£000	£000	£000
3,493	17	177	3,687



## Notes to the financial statements for the year ended 31 March 2024

**Arrangements containing an operating lease**

	2024	2023
	£000	£000
<b>Future minimum lease payments due:</b>		
<b>On building leases:</b>		
Not later than one year	<b>2,896</b>	3,346
Later than one year and not later than five years	<b>602</b>	957
Later than five years	-	-
<b>On plant and machinery leases:</b>		
Not later than one year	<b>177</b>	179
Later than one year and not later than five years	<b>525</b>	532
Later than five years	-	6
<b>On other leases:</b>		
Not later than one year	<b>14</b>	18
Later than one year and not later than five years	-	3
Later than five years	-	-
<b>Total</b>	<b>4,214</b>	5,041

**18. Related party transactions**

Medway Cares is a wholly owned subsidiary of the Company and a charity set up to promote and protect the physical and mental health of the public through the provision of financial assistance, support, education and practical advice; and to relieve poverty and other charitable need. Medway Community Healthcare C.I.C had a creditor balance of £2k relating to Medway Cares at year-end (2022/23: £1k).

Members of the Board are considered to be key management, their total remuneration is £835k (including employers NIC contributions), (2022/23: £870k) details are shown in note 5.

Lisa Riley, the wife of Martin Riley, is Deputy CEO of Vitalhub UK Ltd, a company providing technology solutions to Medway Community Healthcare C.I.C. Vitalhub UK Ltd is the 100% parent company of Beautiful Information Ltd. In 2023/24, £188k of expenditure was incurred with Vitalhub UK Ltd (2022/23: £0k). In 2023/24 £0k of expenditure was incurred with Beautiful Information Ltd (2022/23: £30k).



## Notes to the financial statements for the year ended 31 March 2024

Lisa Riley also served as a trustee of the Council for Voluntary Service (Medway) operating as Medway Voluntary Action during the financial year (resigned 8 February 2024). Medway Voluntary Action delivers voluntary and community projects for Medway Community Healthcare C.I.C. In 2023/24 £559k of expenditure was incurred with Medway Voluntary Action (2022/23: £145k).

Chris Wright is on the board of directors for Albion Outlook Ltd, a joint venture established by a group of three social enterprises during 2014/15. Medway Community Healthcare C.I.C. made a loan to Albion Outlook Ltd during 2023/24 of £40k (2022/23: £25k). The total loan amount owed to Medway Community Healthcare C.I.C. at the financial year end is £65k (2022/23: £25k). The investment in Albion Outlook Ltd was written down to £nil in 23/24 (2022/23 value: £70k).

Bruce Potter (Chairman) is a partner at Blake Morgan LLP, a law firm which has provided legal services to Medway Community Healthcare C.I.C. In 2023/24 £65k (2022/23: £10k) of expenditure has been incurred. Creditors outstanding at year end were £0k (2022/23: £0k)

The contract for providing dental services is signed in a personal capacity by Dr Simon Collins (Medical Director) and subcontracted to Medway Community Healthcare C.I.C. This is due to the need for the dental contracts to be signed by a qualified clinician. The contractual relationship is such that Dr Simon Collins does not profit personally from the transactions. The dental contract income generated by Medway Community Healthcare in the period was £4,582k (2022/23: £4,526k).

### 19. Subsidiary undertakings

The following Companies are wholly owned subsidiaries of Medway Community Healthcare C.I.C:

- Medway Cares, a company limited by guarantee without share capital and registered charity incorporated in the UK.

The registered office of Medway Cares Limited is MCH House, Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0PZ

The following Company is an associated undertaking of Medway Community Healthcare C.I.C:

Albion Outlook Limited, incorporated in the UK. Medway Community Healthcare C.I.C. owns 168,367 £1 ordinary shares in the company which represents a 33% holding. Albion Outlook Limited is a joint venture with two other Community Interest Companies. In 2018/19 our investment in Albion Outlook Limited was impaired to £50,000 as a result of voluntary liquidation of some of its investments, following additional investment in 2019/20 the value of our investment was £69,965 but this was impaired to £nil in 23/24.

These financial statements present information about the Company as an individual entity, not about its group. Medway Community Healthcare C.I.C. has opted to exercise the exemption afforded under FRS 102 paragraph 9.9A (Companies Act 2006 s402) to exclude the subsidiaries from consolidation on the basis that they are not material for the purpose of giving a true and fair view.



**20. Investments**

	2024	2023
	£000	£000
At start of year	70	70
Disposal of investments	(70)	-
	-	70

**21. Financial Instruments**

Financial instruments may be analysed as follows:

	2024	2023
	£000	£000
<b>Financial assets</b>		
Financial assets measured at cost less impairment	-	70
Financial assets that are debt instruments measured at amortised cost	13,863	13,590
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	9,974	11,771

Financial assets measured at cost less impairment comprise fixed asset investments in unlisted company shares.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise convertible loan stock, irredeemable preference shares, bank loans and overdrafts, trade creditors, other creditors and accruals.

## Notes to the financial statements for the year ended 31 March 2024

### **Credit risk**

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As the majority of the income comes from contracts with other public sector bodies Medway Community Healthcare C.I.C has relatively low exposure to credit risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

### **Liquidity risk**

Liquidity risk arises from the management of working capital. It is the risk that we will encounter difficulty in meeting our financial obligations as they fall due.

The Board receives information on cash balances on a monthly basis along with a forecast for the remainder of the financial year.

### **Currency risk**

Medway Community Healthcare C.I.C is predominantly a domestic organisation with the great majority of transactions being in the UK and sterling based, therefore, there is low exposure to currency rate fluctuations.

### **Interest rate risk**

Most of the financial assets and liabilities of Medway Community Healthcare C.I.C carry nil or fixed rates of interest and so we have limited interest rate risk.

## **22. Post Balance Sheet Events**

In May 2024 MCH allotted an additional 75 shares in the Company.



# Detailed income statement

for the year ended 31 March 2024

	2024	2023
	£000	£000
<b>Turnover</b>	<b>77,416</b>	75,181
Cost of services	<b>(66,567)</b>	(68,991)
<b>Gross profit</b>	<b>10,849</b>	6,190
<b>Gross profit %</b>	<b>14%</b>	8%
Other operating income	<b>2,588</b>	2,840
<b>LESS: OVERHEADS</b>		
Administrative expenses	<b>(12,924)</b>	(12,385)
Reversal of impairment of building	<b>79</b>	685
Impairment of investments	<b>(75)</b>	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>517</b>	(2,670)
Interest receivable	<b>389</b>	44
Interest payable	<b>(4)</b>	(7)
<b>PROFIT/(LOSS) FOR YEAR BEFORE TAX</b>	<b>902</b>	(2,633)

# Schedule to the detailed accounts

for the year ended 31 March 2024

**Turnover**

	2024	2023
	£000	£000
NHS Revenue	67,451	65,225
Non NHS Revenue	9,965	9,956
	77,416	75,181

**Cost of Services**

	2024	2023
	£000	£000
Planned Services	15,623	17,263
Local Care	16,095	16,409
Urgent & Intermediate Care	13,075	13,300
Children & Young People Services	8,624	8,881
Covid 19 Costs	11	1,423
Care Coordination Centre	2,936	3,011
Estates	10,203	8,704
	66,567	68,991



**Other Operating Income**

	2024	2023
	£000	£000
Training Income	626	601
Contributions from Charities	794	837
Other	1,168	1,402
	<b>2,588</b>	<b>2,840</b>

**Administration Expenses**

	2024	2023
	£000	£000
Corporate Management	834	800
Clinical Quality	786	680
Safeguarding	549	453
CQUINS	37	24
Finance, Resources, IT & Infrastructure	3,599	3,464
Contracts, Strategy & Assurance	1,033	915
Business Intelligence & Project Management	449	666
Depreciation	1,190	1,059
Release of deferred grant income against depreciation	(245)	(243)
Payroll	154	150
HR & Comms	1,782	1,748
ICB / HaCP	2,748	1,615
Reserves & Other	8	1,054
	<b>12,924</b>	<b>12,385</b>

Interest Receivable

Bank interest receivable

2024	2023
£000	£000
389	44
389	44

Interest Payable

Interest of Finance Lease

2024	2023
£000	£000
(4)	(7)
(4)	(7)



